

Draft Outline of Alternatives for Contracting and Treasury Functions

There is a need to identify alternatives to the current funding arrangements for Category III which has CUWA and MWDSC handling the treasury and contracting functions. There are four general models that can be followed to meet this need:

1. A state agency can receive and disburse the funds using their normal procedures and using existing or new agency staff to administer contracts or grants.

The two agencies which could most easily handle this type of a task are the Department of Fish and Game and the Department of Water Resources.

- Overhead would likely be approximately 25 to 30%.
- If this alternative is used, it must comply with normal state administrative procedures for proposal solicitation and contract administration. These include General Service oversight, need to use state Contracts Register to advertise RFP's, restrictions on project selection process, and need to follow contracting procedures.
- The individual agency could be perceived as having more control than other CALFED member agencies. This could be addressed through development of a MOU.
- CALFED agency involved would have to have staff to handle contract/grant administration.

2. A local non-profit can receive and disburse the funds with CALFED staff assisting with the grant writing.

At least two local non-profits have been mentioned, the Wetlands Foundation and the California Environmental Trust. In the past, state funds have been administered through non-profits to provide local assistance grants. These grants could contain sufficient details and controls to ensure the projects are implemented.

- Overhead would likely be under 5% but additional CALFED agency staff would be needed to develop proposals and monitor projects.
- It is likely that a non-profit could be identified that would be very flexible and would be willing to act as a pass-through.
- Depending on non-profit, as long as their procedural requirements are met, the policy direction and decision-making can remain with CALFED with the advice of the

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Ecosystem Roundtable.

- CALFED would have to have additional staff to handle contract/grant administration oversight even though actual grants would be through non-profit.
- 3. **The National Fish and Wildlife Foundation or similar foundation can receive and disburse the funds using their normal procedures.**

The Foundation was established as "a charitable and nonprofit corporation and is not an agency or establishment of the United States." The purposes of the Foundation are to "encourage, accept, and administer" property donations benefitting the USFWS and to "undertake and conduct such other activities as will further the conservation and management of the fish, wildlife, and plant resources of the United States...for present and future generations." The Foundation has "the usual powers of a corporation acting as trustee in the District of Columbia," in addition to seven enumerated powers. The most relevant of these powers allows the Foundation to "acquire by purchase or exchange any real or personal property or interest therein;," "to enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its function;" and to "do any and all acts necessary and proper to carry out the purposes of the Foundation".

- Overhead would likely be under 5% but additional CALFED agency staff would be needed to develop proposals and monitor projects.
- They can receive funds from a variety of sources.
- They are willing to use the decision-making structure developed by CALFED but the NFWF board would retain ability to deny funding for any particular project.
- CALFED agency staff would still need staff to work on selection of projects and development and monitoring of contracts/grants.
- 4. **A joint powers authority could be formed that includes the CALFED agencies and whose purpose would be ecosystem restoration.**

Public agencies including federal, state, and local entities are authorized by California law to enter into agreements wherein they "jointly exercise any power common to the contracting parties...". A JPA must state the purpose of the agreement or the power to be exercised. It shall provide for the method by which the purpose will be accomplished or

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the manner in which the power shall be exercised.

The agreement can create a separate agency or entity responsible for the administration of the agreement. The entity created by the agreement to administer or execute the agreement may be one or more of the parties to the agreement or a commission or board constituted pursuant to the agreement or a person, firm or corporation, including a nonprofit designated in the agreement. The administering agency is a public entity separate from the parties to the agreement which possesses the common power specified in the agreement.